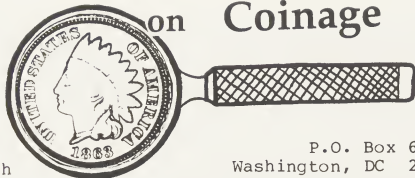
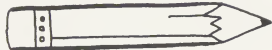


# INSIGHT



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## EDITORIAL

As the 100th Anniversary of the American Numismatic Association draws near, it makes us think about how important the ANA has been for us in the past - our numismatic roots, so to speak. Without the ANA, whose magazine, The Numismatist, introduced us to all the variety of numismatics; who can say what we would be doing now.

We read recently that a well-known numismatist reads everything he can about coins. We were the same way when we became interested in coins. We remember buying three boxes containing past issues of The Numismatic Scrapbook and The Numismatist just to catch up on much of the numismatic knowledge we had missed during the previous twenty years! It's recommended reading even now. EVERYTHING THAT CAME BEFORE, MAKES US WHAT WE ARE TODAY! Happy Hundredth Birthday ANA.

We've developed a new "habit" around here. Every so often we catch ourselves reading past issues of Insight on Coinage! You might say we are our biggest fan AND critic. We don't know what this means psychologically, perhaps we are seeking our personal roots which only qualify as minor shoots or rootlets compared to many writers. Imagine if a prolific writer such as Q. David Bowers enjoyed re-reading all the articles, books, etc. which he has written. He wouldn't have time for anything else! We won't wish this "habit" on Mr. Bowers or anyone else; but we hope you enjoy reading Insight as much as we do!

You will notice this issue contains an extra two pages. We felt it would be better to print the entire ANA Mini-Seminar review in one issue rather than split it over two issues. We don't like to divide an article; yet in some cases, they become too long for one issue. This issue would have become the mini-seminar review - with not much room for a balance of other articles if we had not added the extra pages. In the future, Insight will expand to ten pages on a regular basis.

Hopefully, by the time you receive this issue you will have read our inaugural column on coin authentication to be published each month in Numismatic News. Years ago we proposed a BACK TO BASICS column for a major hobby publication but were told there was no need for another column on microscopic aspects of coins. It appears "Numi-News" (we didn't say that) feels as we do that there can never be too much editorial space devoted to educational subjects. Watch Insight for "extra" tidbits from our column which we can only publish in TOO HOT TO HANDLE!

## TOO HOT TO HANDLE

In the 1/16/91 Letters column of Coin World, Alex Johnson expressed an idea to modify the sight-unseen market in order to ensure that bidders

would know what the coin they were buying looked like. The foundation of this modified system would be an accurate word description of each coin along with a two-day return privilege. After all, as Mr. Johnson points out, coins are unique and must be treated as such.

We should like to suggest to our readers that we are beginning to come full-circle. Mr. Johnson is describing adjectival grading. Indeed, the technical grading as practiced in the late 1970's to late 1980's did the same thing. It told the buyer exactly what he was buying! See last month's Insight on Coinage, page number four.

Unfortunately, Mint State 65, with very slight rub or Mint State 65, hairlined (improperly cleaned) did not go over well with dealers. Also, words like "choice", which adequately described a coin's surface when used correctly, were never standardized.

No Mr. Johnson, you will be fighting an uphill battle to modify the system so that it becomes easy for all to understand. We know - we've been there. With time and more development, the computers will take over and numbers will replace even words as they have already replaced adjectival descriptions. MS-64.83402, S-45, L-88, I-85, Hike!

-- AND --

Once in awhile, in any hobby publication, a letter to the editor appears bashing one aspect of a hobby which others enjoy. Usually, the opinion expressed in these letters is based on a belief that a certain segment of the hobby is not a legitimate part of the whole or is too specialized to afford all the enjoyment of a more generalized approach. In rare instances, the writer attacks long established tradition within the hobby to support his opinion. On March 6, such a letter appeared in Coin World. The writer felt that Mint errors are not coins and called them s(crap).

Coin World printed several eloquent letters from readers which made the point that error coins not only exist, but also are very important to the understanding of how coins are made which bears a great deal on coin grading and authentication! We'll add our two cents worth.

In many cases errors are coins! Who would argue that error coins with a date and denomination visible are not money, pieces of stamped metal issued by our government and authorized for use as a means of exchange? It's a thrill to find an error coin in circulation - performing the task it was minted to do!

The U.S. Mint is a big factory producing coins as a product. The production methods and quality control are not perfect - it's a compliment that so few error coins are released into circulation at all.

Coin World's Guide to U.S. Coins, Prices & Value Trends has a section on Mint errors which calls them "substandard" products of the minting process. Who would argue with that? Perhaps, using the strict definition of "coin", some pieces of (s)crap classified as Mint errors would not be considered coinage but let's be thankful they reached collector's hands by whatever means.

Mint errors are important. Error coin collectors are some of the most informed collectors in Numismatics. Understanding the minting process and the way these coins and (s)crap occur is a basis for understanding coin authentication. It's even important for those who wish to learn to grade properly!

We're amazed at how inexpensive most error coins are when they are purchased from a knowledgeable person who deals in them and is a member of

the Combined Organization of Numismatic Error Collectors of America.

Finally, if the writer were more informed, he would be less ready to ridicule error collectors and would understand the importance of Mint errors and the position they occupy in our hobby.

#### BETWEEN THE LINES

This month we complete our review of the grading video programs presently available from the ANA. In the first part of this article which appeared in our February issue we examined Collecting & Grading U.S. Coins and Coins, Genuine, Counterfeit and Altered. These are excellent learning tools and we encourage you to borrow them from the ANA Library. It's our opinion that the Coin Grading Mini-Seminar video which we review today has some problems which we shall discuss below. We suggest you view it with a copy of this newsletter or at a coin club with some knowledgeable collectors who can guide you around some of the questions we raise.

Before we begin, we should explain that the videos by Educational Video, Inc., which we rated as excellent, were professionally filmed and edited while working closely with the ANA staff. The Coin Grading Mini-Seminar was filmed live. There are a few unedited slips that anyone who is not a professional actor reading from a script is bound to make when they are being filmed. We have been in such a position before and it takes a while to settle down and forget the camera. The cameraman is not a coin collector, so there are several disturbing problems with coordination between the the speaker, camera, and slides. Some points in the audio portion of the class are not shown in the video.

We count the instructor, Mary Sauvain, as one of our friends and an expert in her field. We can highly recommend you read her new monthly column about counterfeit detection which appears in Coin World.

We have tried to give readers the approximate running time (when noted) or a description of the slide in the left margin to help you synchronize the video with our article.

The presentation starts slowly which is natural for many public speakers including ourselves; but as we get into the program, things smooth out. We are reminded that the Mini-Seminar is very limited in scope and should be used as a preview or review by students who plan or have taken an ANA Grading Seminar. We can echo that and STRONGLY suggest our readers attend an ANA grading seminar in addition to our courses.

In much of this presentation, THE INFORMATION IS FIRST-CLASS and the slides give students an excellent example to view. Due to limits of space, we will mainly be offering constructive disagreement to parts of the video in this review. There are also some instances where we feel that student's questions are left unanswered.

Almost immediately in the presentation we are presented with a paradox. The instructor tells us that it is most important that we know how to grade and that we are comfortable with our grading. She suggests we start by learning how to grade one type or series of coin at a time; yet, she says that the basics of grading are the same for all series! IF ALL SERIES ARE GRADED BASICALLY THE SAME, WHY CONCENTRATE ON ONE SERIES? Readers who shared the same thought have our congratulations! You are well on the way to being the analytical type of numismatist this publication is trying to attract and develop. A panel of expert numismatists could take hours discussing the paradox above. What does

the speaker mean by "basically"? With technical grading, all series are graded the same but in commercial grading they are not. One reason to concentrate on a series then, would be to learn more about it than other numismatists so you could profit by your knowledge of which dates rarely appear in certain grades, what parts of the design are found weak, etc. There is even a philosophical difference in the way coin grading is taught for different coin series! Hope we made you think a little!

\* 6:06 "line drawing or photo really does not matter" We disagree. The video recommends Brown & Dunn(drawings), Photograde, and The Official ANA Grading Standards as guidebooks for grading. The photographs found in the last two books are a modern replacement for drawings and are much easier for a beginner to interpret. The introduction to the ANA book is MUST READING for all numismatists; even long-time dealers.

\* There is some confusion about what constitutes a pre-strike or post-strike defect in regard to "die breaks". Most breaks occur to working dies during coinmaking.

\* The video warns collectors not to use fluorescent light to grade coins. We intend to show the opposite in an expanded article on magnification and lighting. Collectors are also urged to grade larger coins with the naked eye "because magnification over-emphasizes any damage". While magnification shows damage, we feel it's better to see it and adjust for it, than to miss it completely!

\* The video advises that you: 1) hold the coin by the edge. 2) ROTATE it while you take a closer look. Yes, Yes! Then the video recommends a 3X hand lens. NO, NO! Also don't forget to tip the coin back and forth while you rotate it. Just a minor omission which can loose you money when you miss some of the defects on the coin. Try the 7X hand lens which the instructor suggests later in the video. It's the better choice between the two (3X or 7X).

\* In the video, grading is called a "subjective science". This is a new one on us. We've heard "subjective art" or "exact science" used before. Maybe it's said as a spoof on the grading services.

#### SLIDES

2) 1884 \$1 Mint frost color called "steel grey". Grey usually denotes WEAR on silver coins while silvery or white refers to frost.

3) 1883 \$1 satin luster. Not clear between "satin" and "frosted". We always considered these terms interchangeable.

5) Polished look. Bad slide. Instructor cannot see it either.

7) 1889 \$1 Over-dipped coin. Instructor says coin doesn't have luster. NUTS! The coin is loaded with luster; only it's different from natural Mint luster. Look at the cartwheel effect of the luster on this coin! When a coin is polished, dipped, or cleaned improperly; you CHANGE the appearance of its luster. Maybe the instructor is saying a coin loses its ORIGINAL MINT LUSTER.

10) 1887 \$1 Prime focal areas. Grading has evolved in recent years by placing more emphasis on the condition of specific areas of a coin's fields. We recommend the NCI Grading Guide by Jim Halprin for your study of prime focal points on coins.

11) 1879 \$1 with "frost breaks". The video says that light brushing, scuffs and scrapes (frost breaks) don't change the grade unless they ruin the eye appeal. It has been our experience that they DO change the grade because they DO lower the eye appeal in virtually every case EXCEPT in instances where the light buffing goes undetected. This type of coin is often found graded professionally in slabs. The instructor says that a "frost break" doesn't effect the technical grade of a coin. Nonsense! While technical grading puts less emphasis than commercial grading on the eye appeal of a coin, scuffs and scrapes (frost breaks) are the result of "impact damage" to the surface of a coin and must be treated as bagmarks.

This was the first time we have ever heard the term "frost break" used in numismatics. It is a good term to describe impact marks on the surface of a coin which "break the frosty, original, surface"; BUT let's not confuse the issue by including light buffing in the same definition.

Later in the video we are even told that a "frost break" is not the same as a bagmark. Well my hat is off to anyone who can tell with even 70% accuracy when a scuff on a coin's surface was caused by contact with a coin in a bag (bagmark) or something else. Even in the video there is confusion about the differences between bagmarks and "frost breaks". A question is asked by a student in the video if a "frost break" is the same as a break in mint luster. The instructor replies "No, not really". Well, that's what we thought the term "frost-break" was used to describe; a break in the frost (mint luster).

A "frost break" is described as being dark. On a particular slide, some "frost breaks" will appear dark while others will look bright and shiny! It depends on how the coin is positioned in the light when the photo was taken. The same is true when we rotate a coin we are examining. A mark will go from light to dark and back.

"Frost break" is a great name to describe a feature on a coin; let's hope those in power can pin down its meaning more precisely before the next seminar. For now, we suggest you forget you ever heard this word until the term gets standardized. Until then, call a scuff a scuff; buffing, just that; and breaks in the mint frost due to damage, impact damage or bagmarks.

NOTE: For those readers who are "history" buffs, We'll expand on a point we brought up in our Correspondence Course. There are no standard definitions of numismatic terms (are you listening ANA). In our classes on grading and authentication, we spend time making sure all students understand the meanings for the "special" words we use in numismatics. It avoids the confusion which is apparent in this part of the video. In the early 1970's, while working at ANACS, we were at the leading edge of coin authentication and represented the largest national coin organization. As a result, we were able to "name" features seen on coins just like explorers in a new land. We were the main source for these new words for several years and used them when we taught seminars. Some confusion started in the mid-1970's when two organizations maintained authentication labs. Both groups coined new words as needed. A case in point: At one time the official definition of WHIZZING published by one organization was any

mechanical or chemical cleaning done to a coin. This is pure nonsense. It went contrary to the way we had used the word for years before and the "chemical" part of the definition did not produce the same effect on a coin as the mechanical wire brushing which was done to imitate Mint-made luster. Nevertheless, if that was their "official" definition, who could argue? The organization dropped chemical cleaning from their definition, and we thought the meaning of this form of alteration was finally standardized. Unfortunately, another expert has just published a book which includes acid dipping in his definition of whizzing! More later.

13) 1881 \$1 reed marks (same as bagmark). An example of one of the times you can say for sure that a mark on a coin was actually caused by another coin.

16) Planchets are also upturned to help prevent excess wear to the dies.

17) Morgan dollar with "struck through" in prime area. This will lower the commercial grade of the coin but the technical grade will stay the same with a modifier added (Ex: MS-65 w/struck thru)

\* 32:35. Question: What is the difference between a poorly struck nickel and one that has been buffed? This is not answered to our satisfaction in the video and we will expand on this in a future newsletter. For now, we'll just say the buffed coin will look much different.

24) 1940 WL Half weakly struck. This coin is so weak that it might be more descriptive to call it a "flat strike".

34) 1852 cent with few "copper spots"? Possibly means to say few "carbon spots".

36) 1831 cent with blue color from the cotton pouch collectors often use to store them. News to us, experiment time. Blue color usually indicates heat, cleaning or artificial toning on copper coins.

46) We should like to clarify a few statements made during this slide. Alterations to the surface of a coin which try to imitate the appearance of mint frost may be done so professionally that they do not continue on to the field of the coin. Also you must be careful not to assume that frost which goes into the field is always artificial! Several years ago in Coin World, a writer was criticized by ourselves and the ANACS staff for showing a photo of a Morgan Dollar with genuine mint frost extending into the fields which the writer erroneously claimed was the result of a chemical alteration!

#### BREAK IN THE VIDEO FOR PART TWO

1-2) 1883-O \$1 with higher grade reverse than obverse. The reverse looks much better in the slide than the MS-60 grade it is given! Also, dipping a coin will not destroy all of its flow lines and it will still have luster; however, the luster will be different from natural mint luster. The coin in the slide still shows the cartwheel effect from its luster (especially at 6 and 12 o'clock) in spite of what the video tells you.

3) Same thing in this slide of an 1884 \$1. While the video says there is not much luster on the coin, the luster jumps out on the slide, especially at 6 and 12 on the reverse where it is easiest to see in the slide.

5) Students are told: "That's the subtle part, the hard part of grading - if a coin has luster or if luster is impaired". Actually, we believe and also teach that THIS IS THE EASIEST PART OF GRADING. Those of you who have completed our grading course know all about the "Luster Method of Coin Grading". For our Correspondence Course students, we'll cover this in Lessons #13 and #16.

7) There's a continuation of the confusion over bagmarks and luster breaks. See page four. Also, there is usually no reason to buy a coin graded MS-62 in order to try for a MS-63 grade. There is no money to be made and most people cannot tell the difference between these two commercial grades.

16) A very interesting point is made by the instructor who claims that at ANACS, each dollar is graded according to its date and as a result they tend to be stricter when grading 1880-S and 1881-S coins. So ends the myth of pure technical grading at ANACS. Remember, before the Cache® was introduced, ANACS claimed to grade technically.

21) We do not believe this statement: Peace Dollars have less toning than Morgans possibly because of something to do with the treatment of their dies and planchets before striking. The lack of toning on Peace Dollars may be as simple as climate controlled vaults. Research project anyone?

22) 1923 \$1 MS-63. Coin looks to be much higher grade. A student asks why the coin is not graded MS-64. We agree, and that's what makes the world go around. This slide must have caused disagreement in seminars before. Use a better example of an MS-63 for the class!

Next, a student asks if there are scuff marks on the lower edge of Miss Liberty's neck. The camera zooms up on the neck. YES, the student is correct; in spite of what you hear in the video! He is told the effect is caused by the way the lighting picked up the design. NOT SO! The mint luster has been scuffed on this part of the design which is common at this location even on Uncirculated Peace dollars.

26) The students ask if there is a fingerprint on the 1922 \$1 which is graded MS-64. The camera zooms in on the FINGERPRINT that this reviewer and everyone in the class can see plainly as a light grey crescent pattern on the slide. The class is told a story about a halo effect around the devices caused as the metal is struck and pressed out (?). We did not understand the explanation either! It's a simple fingerprint.

At the end of the video some important advice is given to the seminar students including NEVER RELY ON SOMEONE ELSE, learn to grade for yourself. We can also add TRUST YOUR OWN EYES!

## MARKET NOTES

A few short tidbits for our readers. Many of you know how terrible we are at predictions! Who could predict slabs? Dealers were unhappy with the major grading services so they dropped a bomb called PCGS on the hobby. The fallout consisted of an imposed system of grading. You either played by their rules or else. Someone saw the humor of coin dealers grading the coins they sell; so now the graders cannot be dealers! Third-party grading was a way to make money. Unfortunately, it's not so lucrative anymore. Now for our prediction. We predict that the next arena of major dealer involvement will be in the field of collector education! For instance, the MGC Grading Seminar. Teach them to grade as we do in order to justify our grading even more. Start lining up the sheep.

Next, COINS ARE CHEAP! Do your reading, learn to grade, etc.; but buy a few coins NOW. It's a perfect time to purchase that Carson City Dollar (in a government holder) as an example of natural luster.

Have you been reading Numismatic News and Coin World? It seems one of the grading services has abandoned plans to slab ancient coins because of collector pressure. Humm. What about this mythical scenario? Suppose a major customer of a third-party grading service had a bone to pick with the principal ancient coin consultant helping to establish a program to slab ancients. Suppose the major customer threatened to pull all of its business away if the consultant was to be involved in the grading program? Humm. END OF ANCIENT COIN SLABS, for now. We predict ancient coins will be slabbed in the future and no amount of pressure least of all from collectors will stop it.

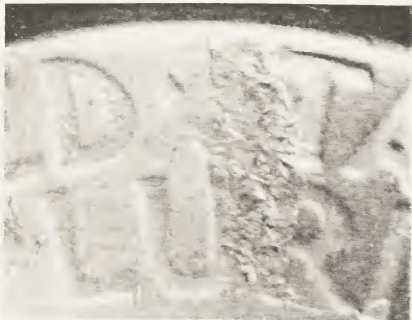
## BACK TO BASICS

In this month's BACK TO BASICS, we shall finally finish our descriptions about "struck-thru" errors. First, let us thank Arnold Margolis for giving us the firepower to over-rule our battery of proof readers! We have used the word struck-THRU for over twenty years; yet when it was time to produce a "professional" newsletter we were unable to justify that spelling to our proof readers who insisted we use the word struck-THROUGH instead. Mr. Margolis uses our favorite spelling in his new edition of The Error Coin Encyclopedia. We hope we have not confused any former students by this usage in previous newsletters.

As many of our charter subscribers remember, we introduced struck-thru errors in Vol. 1, No. 2 to refute the myth that they cause carbon spots on coins. A follow-up appeared in Vol. 2, No. 4. To review briefly for new readers, almost anything can get between the dies and the planchet during the minting process because the Mint is a factory. That's why we find coins which show evidence of being struck through threads of cloth, grease, dirt, and bits of metal. There is a space left on the coin's surface in the shape of the foreign material which usually is dislodged after striking as a result of other production steps in the Mint. Paradoxically, the larger these errors get the more valuable they become in spite of the coins "commercial" grade being lowered.

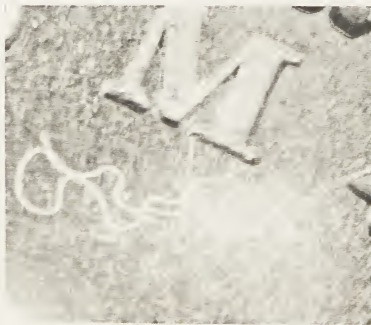
Once the material is removed from the coin, the depression formed usually has a similar color to the original planchet surface. In cases where the foreign object had a firm physical form such as wire, contact

marks from other planchets made during processing will be obliterated. Sometimes we can find the pattern outline of rags or fallen-away bits of previously struck coins.



The photo at the left shows a Peace Dollar which has been struck through a small patch of grease. Look at the rough area next to the "T", "R", and "U". It's a good bet that some of the surface roughness inside the slight depression was on the original planchet. These marks will often indicate an area of weak strike on a coin; but in this case, because of the shape and "look" of the patch and the lack of any evidence to indicate that the planchet was incomplete or irregular, we can call this a minor "struck-thru" error.

The two photos below show thick and thin struck-thru errors. We can say for certain that the thin twisty pattern at the base of the "M" was caused by a thread, possibly pulled from a cloth rag which became caught by a sharp projection on the press. The cause of the large error is a mystery to us. It was hard enough to prevent the sunken area of the die which formed the bases of the numerals from making contact with the surface of the planchet. Perhaps some spring steel?



Struck-thru Errors

## BOOS & GEMS

In this month's EDITORIAL we told readers that a well-known numismatist we are acquainted with reads everything he can about coins. We thought we were the same, until we realized that some very important reading almost slipped past us disguised as an old standard reference. We are speaking of Photograde!

The other day, while visiting one of the authentication & grading services, one of the technicians asked our opinion on the grade of a coin. Instinctively, we reached for the closest grading guide on her desk (which happened to be the 18th edition of Photograde by James Ruddy). No sooner had we picked up the book, than she said, "don't use that one, the photos aren't any good." That led to our examination of the new edition and to this BOOS & GEM:

The general information about grading & coin values in the first chapters is excellent. It really simplifies ideas such as split-grading, and the value relationship of grade to coins. This has all been added to an already great reference book since we last read its introduction.

We wanted to see for ourselves if the quality of the photographs had deteriorated from earlier editions because J. Ruddy had said, "We have spared no expense to give you the highest quality printing which reproduces faithfully the original photographs." Although the photos of some coins are larger, which makes them easier to see, in the newest edition, the over-all "quality" or "sense of sharpness" of the photos seems to suffer somewhat from earlier editions which were printed on more glossy paper. It may be an illusion, but we are going to save those early editions of Photograde.

## COMING UP

Readers will have to wait until the next issue to see the photos of the two ancient fakes we promised. In our rush to get a press release out to the major hobby publications, we wrote that the two coins were minor denomination Greek bronze coins. It turns out that one of the altered coins is a Roman Imperial coin. Well, all we can say is, "It's all Greek to us!"

Also next month, we'll have a book review of Donn Pearlman's new book; hopefully, the conclusion of technical versus commercial grading, and other surprises.

Our Basic Grading Seminar this month in Bristol, RI, at the Roger Williams College is filled. We are pleased with the response in these hard economic times. The next seminar will be held in Fair Lawn, NJ on August 24, 25. We have a seminar scheduled this Fall for the West Palm Beach Coin Club, so any Florida subscribers may wish to plan one at their club also since we will already be in the State. If you would like to be on a list to be notified when we come to your area call (800) 666-2646. We haven't been to the West or mid-West in two years!

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